

## **REMARKS**

Claims 1-18 are pending in this Application. The Office Action objected to Claims 1, 10, and 14. The Office Action also rejected Claims 1-18 under 35 U.S.C. § 102(e). Applicants have amended Claims 1, 10, 14, and 16. Applicants respectfully request reconsideration of pending Claims 1-18 in light of the amendments and following remarks.

### **Objection to Claims 1, 10, and 14**

The Office Action objected to Claims 1, 10, and 14. Applicants have amended Claims 1, 10, and 14 to recite the term "procedures" instead of "procedured." Claim 10 was also objected to because it contains two step d's. Applicants have amended Claim 10 to recite steps a to j. Accordingly, the objections to Claims 1, 10, and 14 have been addressed.

### **Rejection of Claims 1-18 under 35 U.S.C. § 102(e)**

The Office Action rejected Claims 1-18 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,397,202 to Higgins et al. ("Higgins"). Specifically, the Office Action stated that as per Claim 1, Higgins teaches all elements of Claim 1 including associating control procedures with a risk element, the computer receiving a compliance rating, and calculating a compliance score based on the rating received for the control procedures. Applicants have amended Claims 1, 10, 14, and 16 to clarify that the methods and systems of the invention are directed to determining compliance with organizational policies rather than calculating the likelihood of a risk.

Higgins does not teach determining a compliance level rating for organizational policies associated with a business risk but rather teaches directly calculating a risk level by reference to minimum requirements for meeting an overall goal. Specifically, Higgins teaches a system and method for determining the risk that a large development project will not be successfully completed. See Abstract, Col. 6, ll. 61-66. Moreover, in column 7, line 54, Higgins states that the system determines the "probability of undesirable event." Furthermore, Higgins specifically discloses that the program manager employs the system of Higgins to decide when to take measures to diminish the risk thereby suggesting that measures addressing the risk are not monitored. Col. 6, l. 66 – Col. 7, l. 1. Thus, the program itself does not quantify a level of compliance with a policy dictated by

an organization but rather is used as an indicator of risk which is used by the manager to determine when a corrective procedures should be separately executed. Conversely, the method recited by amended Claims 1, 10, 14, and 16 is clearly directed to evaluating the overall compliance level for control procedures associated with the same business risk. Hence, one may observe that the methods and systems recited by the amended claims do not attempt to estimate the likelihood of a risk but rather estimate compliance with a policy imposed by an organization, regardless of the likelihood of the associated risk.

Moreover, there is no discussion in Higgins of any control procedures, which are defined by Claims 1, 10, 14, and 16 as "business policies associated with said business risk element." The only discussion in Higgins is of compliance with minimum requirements for completing a project so as to determine the risk of non-completion. Applicants submit that minimum requirements for completing a project, which are underlying variables in determining a particular risk, are substantially different from business policies that are intended to address a risk, either by mitigation or by prevention. In short, while the methods and systems recited by Claims 1, 10, 14, and 16 measure compliance with control procedures, which share an association with the same business risk, Higgins is only concerned with the likelihood of a risk when determining "probability of one or more undesirable events." Col. 7, l. 54. Therefore, Claims 1, 10, 14, and 16 are allowable over Higgins for at least these reasons alone.

Furthermore, Higgins clearly does not receive a user selection of compliance rating indicating level of compliance with a control procedure as recited by Claims 1, 10, 14, and 16. Rather, Higgins receives a "plurality of variables [that] are determined relating to a successful completion of the development project." Col. 3, ll. 30-31. The system of Higgins compares these variables to a baseline so as to calculate a risk of unsuccessful completion. Col. 4, ll. 53-58. Thus, the data received from the user of Higgins is not a compliance rating but instead is real-life data relating to various factors affecting the project. Applicants have amended Claims 1, 10, 14, and 16, to more clearly recite that the compliance rating is selected from a predetermined range that is uniform between ratings. In view of these amendments, Applicants submit that there is a clear difference between the domain of the two data types; where a compliance rating is bound by a uniform and predetermined range, data relating to various factors affecting a project

may span differing and unbound ranges. Second, the data received from the user of Higgins is clearly directed to evaluation of the underlying risk, unsuccessful completion, not compliance with a business policy, which may ignore the likelihood of the associated risk. Therefore, Higgins does not disclose receiving a user selection of a compliance rating for each control procedure. Hence, Claims 1, 10, 14, and 16 are allowable over Higgins for at least these reasons alone as recited by amended Claims 1, 10, 14, and 16 as defined by the amended claims.

Claims 2-9 are dependent (directly or indirectly) on claim 1; claims 11-13 are dependent (directly or indirectly) on claim 10; claim 15 is dependent from claim 14; and claims 17-18 are dependent on claim 16, and are believed patentable, among other reasons, by virtue of such dependency.

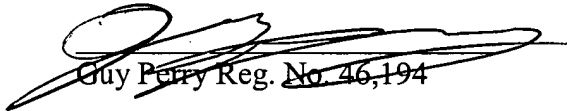
**SUMMARY**

Applicants have amended the claims to overcome the 35 U.S.C. § 102(e) rejection. In view of the forgoing supporting remarks and amendments, Applicants respectfully request allowance of pending claims 1-18.

If the Examiner wishes to direct any questions concerning this application to the undersigned Applicants' representative, please call the number indicated below.

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Respectfully submitted,

  
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